

House Engrossed

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
First Regular Session  
2005

CHAPTER 288

**HOUSE BILL 2770**

AN ACT

AMENDING SECTION 42-1116, ARIZONA REVISED STATUTES; RELATING TO GENERAL  
REVENUE FUNDING.

(TEXT OF BILL BEGINS ON NEXT PAGE)



STATE OF ARIZONA

JANET NAPOLITANO  
GOVERNOR

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May 20, 2005

The Honorable Jim Weiers  
Speaker of the House  
Arizona House of Representatives  
1700 West Washington Street  
Phoenix, AZ 85007

Re: House Bill 2770: general revenues; budget

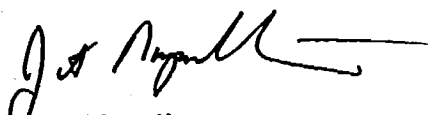
Dear Speaker Weiers:

Today I signed into law House Bill 2770, related to the disposition of certain revenues and budget matters, subject to my line item vetoes of sections one, three and four of the bill.

Section one of the bill (page 1, lines 2 through 36) eliminates the minimum distribution to the Arizona Sports and Tourism Authority (the "Authority"). I line item vetoed it because the cost savings to the state from such a cut are minimal, but the effects these cuts would have on the Authority and on Arizona's prospects for hosting economically productive sporting events are significant. At least one major bonding company has already informed the Authority in writing that the removal of the minimum annual distribution set forth in A.R.S. § 42-1116 would "fundamentally alter the Authority's plan of finance" and "prohibit the Authority from issuing its proposed bonds to complete the multipurpose stadium facility in Glendale." Cutting such funding to the Authority is unwise and inconsistent with other efforts the state has taken, including enacting House Bill 2035 earlier this session, to attract economically beneficial sporting events such as the Super Bowl and the 2007 Collegiate Championship Game. As Arizona competes to attract and retain such events, we should not be cutting statutory funding streams on which the Authority reasonably relied in pursuing bonds.

Sections three (page 2, lines 13 through 16) and four (page 2, lines 17 through 19) of the bill constitute a further legislative effort to appropriate federal monies the state receives. Like my predecessor governors, I have consistently objected to such efforts, and I do so again now for the reasons set forth in my veto letters of March 3, 2003 and April 25, 2005.

Yours very truly,

  
Janet Napolitano  
Governor

JN:TN/jm

cc: The Honorable Ken Bennett  
The Honorable Russell Pearce

1 Be it enacted by the Legislature of the State of Arizona:

2 ~~Section 1. Section 42-1116, Arizona Revised Statutes, is amended to~~  
3 read:

4 42-1116. Disposition of tax revenues

5 A. The department shall promptly deposit, pursuant to sections 35-146  
6 and 35-147, all monies it collects from the taxes administered pursuant to  
7 this article except the telecommunication services excise tax, separately  
8 accounting for each type of tax and each tax classification within each type  
9 of tax. At the same time the department of revenue shall also furnish copies  
10 of the transmittal schedules to the director of the department of  
11 administration.

12 B. Except as provided by subsection C of this section, the department  
13 shall deposit all monies and remittances received under this section to the  
14 credit of the following specific funds and accounts:

15 1. Amounts sufficient to meet the requirements for tax refunds to the  
16 tax refund account established in section 42-1117.

17 2. Amounts sufficient to meet the requirements of urban revenue  
18 sharing to the urban revenue sharing fund established in section 43-206.

19 3. Amounts collected pursuant to chapter 5, articles 1, 5 and 9 of  
20 this title and section 42-5352, subsection A, to the transaction privilege  
21 and severance tax clearing account established in section 42-5029.

22 4. Through June 30, 2000 amounts sufficient to meet the requirements  
23 of section 42-3104 to the corrections fund.

24 5. Amounts sufficient to meet the requirements of section 49-282,  
25 subsection B relating to the water quality assurance revolving fund.

26 6. All remaining monies to the state general fund.

27 C. From the monies and remittances received under this section, each  
28 month beginning July, 2001 the state treasurer shall transmit to the tourism  
29 and sports authority, established by title 5, chapter 8, for deposit in its  
30 facility revenue clearing account established by section 5-834, the greater  
31 of:

32 1. one-twelfth of the amount reported by the department pursuant to  
33 section 43-209.

34 2. Two hundred ninety two thousand dollars per month for the first  
35 twelve month period, increased in each subsequent twelve month period by an  
36 additional eight per cent over the prior twelve months' distribution.

37 Sec. 2. Lottery deposits

38 A. Notwithstanding section 5-505, subsection B, Arizona Revised  
39 Statutes, for fiscal year 2005-2006, not less than 31.6 per cent of the total  
40 annual revenues accruing from the sale of multistate lottery tickets shall be  
41 deposited in the state lottery fund established by section 5-521, Arizona  
42 Revised Statutes, to be used as prescribed in section 5-522, Arizona Revised  
43 Statutes, including deposits to the state general fund pursuant to section  
44 5-522, subsection F, Arizona Revised Statutes.

1 B. Notwithstanding section 5-522, subsection F, Arizona Revised  
2 Statutes, if the state lottery director determines that monies available to  
3 the state general fund from the sale of multistate lottery games may not  
4 equal thirty-seven million dollars in fiscal year 2005-2006, the director  
5 shall not authorize deposits to the local transportation assistance fund  
6 pursuant to section 5-522, subsection A, paragraph 3, Arizona Revised  
7 Statutes, until the deposits to the state general fund from the sale of  
8 multistate lottery games equal thirty-seven million dollars in fiscal year  
9 2005-2006. The local transportation assistance fund deposit pursuant to  
10 section 5-522, subsection A, paragraph 3, Arizona Revised Statutes, shall be  
11 reduced dollar for dollar by the amount that the state general fund deposit  
12 pursuant to this subsection exceeds thirty-one million dollars.

13 ~~Sec. 3. Unrestricted federal monies~~

14 Any unrestricted federal monies received May 1, 2005 through June 30,  
15 2006 shall be deposited in the state general fund. The monies shall be used  
16 for the payment of essential governmental services.

17 ~~Sec. 4. Retroactivity~~

18 ~~Section 3 of this act, relating to unrestricted federal monies, is~~  
19 ~~effective retroactively to from and after April 30, 2005.~~

APPROVED BY THE GOVERNOR MAY 20, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 20, 2005.

Passed the House May 6, 20 05,

by the following vote: 52 Ayes,

4 Nays, 4 Not Voting

[Signature]  
Speaker of the House

[Signature]  
Chief Clerk of the House

Passed the Senate May 6, 20 05,

by the following vote: 26 Ayes,

0 Nays, 4 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

13th day of May, 20 05

at 11:20 o'clock a M.

[Signature]  
Secretary to the Governor

Approved this 20 day of

May, 20 05,

at 11:45 o'clock A. M.

[Signature]  
Governor of Arizona

H.B. 2770

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

This 20th day of May, 20 05

at 3:02 o'clock p M

[Signature]  
Secretary of State